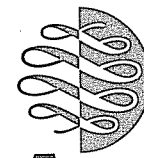


Financial Services Authority

Direct line: 020 7066 5176
Local fax: 020 7066 5177
Email: philip.salter@fsa.gov.uk

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2009



FSA®

Freshfields Bruckhaus Deringer
65 Fleet Street
London
EC4Y 1HS

18 September 2009

Our Ref:

Your Ref:

Dear Sirs

IN THE MATTER OF COMMERCIAL UNION LIFE ASSURANCE COMPANY LIMITED AND OTHERS: FOLIO NO. 13755 OF 2009

We refer to your letter of 17 September 2009 (received by us at 17:43 hours), which we note you have copied to the Court.

We do not accept that paragraph 71 of the FSA's second Report misrepresents the PHA's views. Certainly that was not our intention. As you yourselves note in your letter paragraph 71 expressly refers to the PHA's reservations about the regulatory context to her negotiations with Aviva. Those reservations were also referred to at paragraphs of 97 to 102 of the FSA's report. A copy of the report was provided to you in its final form on 8 September and you did not then suggest it misrepresented the PHA's views.

Further the PHA has served two lengthy reports and a witness statement and was represented by Counsel at the hearing of the above application. In the circumstances we do not believe that the Court (or any other interested person) can be in any doubt as to her views.

Yours sincerely

Philip Salter
Major Retail Groups Division

CC: By email and by hand:
Clerk to Mr Justice Norris
Companies Court
Royal Courts of Justice
Strand
London
WC2A 2LL
Doug.Bell@hmcourts-service.gsi.gov.uk
James.MichaelKelly@hmcourts-service.gsi.gov.uk

By email:
Clifford Chance LLP
Clare.swarski@cliffordchance.com
Chengli.yow@cliffordchance.com